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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/526,907	03/16/2000	Jay S. Walker	99-046	1821

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EXAMINER

MYHRE, JAMES W

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 04/22/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.
09/526,907

Applicant(s)

Walker et al

Examiner

James W. Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Mar 24, 2003
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-89 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-89 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☒ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 7
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

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DETAILED ACTION

Response to Amendment

1. The amendment filed on March 24, 2003 has been considered but is ineffective to overcome the Austin et al (6,259,908) reference.

Information Disclosure Statement

2. The Information Disclosure Statement (IDS) filed on October 15, 2002 (paper number 7) has been entered in the application. Of the five references cited on the IDS, three have been considered and three were unavailable for review. Applications 09/045,036, 09/045, 518, and 09/107,971 have been considered and found not to conflict with the present application since they had little if any pertinence to the claimed invention. Application 09/045,386 has been abandoned and is currently unavailable to the Examiner. Application 09/083,689 is being processed by another examiner and is also currently unavailable to the Examiner.

Claim Objections

3. The amendment filed on March 24, 2003 has corrected the numbering of claim 53B to claim 89. Therefore, the objection in paragraph 1 of the previous office action (paper number 6) is hereby withdrawn by the Examiner.

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However, the amendment did not correct the typographical error in Claim 50 as noted in paragraph 2 of the previous office action (paper number 6). This objection still stands and requires correction in the next response.

Claim Rejections - 35 USC § 101

4. The amendment filed on March 24, 2003 has corrected the deficiency noted in paragraph 4 of the previous office action (paper number 6) pertaining to the rejection of Claim 85, and that rejection is hereby withdrawn. However, the amendment was not sufficient to overcome the same rejection of Claim 86 as noted below.

5. Claim 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claim 86 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The Examiner notes that Claim 86 has been amended to recite “a data structure comprising objects” in a manner similar to the amendment of Claim 85. However, in Claim 85, the objects were “operable to output the subsidy offer” and “operable to output the redemption code”. Claim 86 does not include language indicating that the objects are anything more than data per se and are merely “representative of a subsidy offer” or “representative of a subsidy

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task”, etc. While the preamble of the claim states “the objects being executable on a data processing system”, no action is disclosed as being performed by the objects in the body of the claims. Therefore, this matter does not create any functional interrelationships either as part of the stored data or as part of the computing process performed by the computer and does not impart functionality either to the data or the computer. Such descriptive material is not a process, machine, manufacture, or composition of matter (*Warnerdam*, 33 F.3d at 1361 31 USPQ2d at 1760).

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. Claims 1-5, 9, 11-14, 17, 19-22, 25-27, 31-35, 38-49, 52, 54, 55, 57, 59-66, 68-70, 72-74, 76, 79, 82, 84, 85, and 87-89 are rejected under 35 U.S.C. 102(b) as being anticipated by Myhre (Examiner’s Affidavit).

Claims 1, 20-22, 25-27, 33, 34, 41, 44-46, 48, 52, 54-57, 59-63, 65, 66, 68-70, 72-74, 79, 82, 84, 85, and 87-89: Myhre discloses a method for facilitating a transaction, comprising:

- a. Determining a subsidy offer from a plurality of subsidy offers according to subsidy rules to be provided to a customer from a subsidy provider;
- b. Transmitting the subsidy offer to the customer device;

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c. Presenting a description of the subsidy offer to the customer when the customer completes a task, such as indicating an interest in purchasing the item or subscribing for a telephone service;

d. Outputting a redemption code upon completion of the task; and

e. Providing the benefit to the customer upon acceptance of the offer.

The Examiner notes that Radio Shack would “present a list of service plans offered by Sprint with their costs and the amount of discount each would bring on the current purchase of the cell phone” once the customer indicated his desire to purchase the cell phone (steps a, b, and c above). If the customer accepted the subsidy offer and completed the Sprint service application form, the discount on the cell phone purchase would be given upon receipt of an approval code (redemption code) from Sprint (steps d and e above). Each of the service plans had various rules which delineated the qualifications needed to be met by the customer and/or cell phone before it was a viable offerable option, e.g. subsidy based on length or terms of service contract, cost of phone, age or other demographics of the customer, etc.

Claim 2: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses determining the subsidy offer based on information associated with the customer (i.e. customer is purchasing a cell phone).

Claim 3: Myhre discloses a method for facilitating a transaction as in Claim 2 above, and further discloses that the information associated with the customer is demographic, psychographic, or credit information.

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Claim 4: Myhre discloses a method for facilitating a transaction as in Claim 2 above, and further discloses that the information comprises an association of the customer with the subsidy provider (i.e. the customer becomes a customer of the subsidy offer by subscribing to the phone service).

Claim 5: Myhre discloses a method for facilitating a transaction as in Claim 2 above, and further discloses that the information comprises an association of the customer with a third party (i.e. the customer purchases an item from the merchant).

Claim 9: Myhre discloses a method for facilitating a transaction as in Claim 2 above, and further discloses that the information is received from the customer (acceptance of the subsidy offer, i.e. completion of the subscription application).

Claim 11: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses determining whether to present the subsidy offer to the customer (i.e. if the customer does not buy a cellular phone, the offer is not presented).

Claim 12: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses determining the amount of the benefit (dependent on the cost of the cellular phone being purchase by the customer and/or length of service contract).

Claim 13: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses that the determination is performed by the customer device, the merchant device, the subsidy provider device, or a central controller.

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Claims 14 and 76: Myhre discloses a method for facilitating a transaction as in Claims 1 and 74 above, and further disclose that the benefit is a subsidy amount applied against the original price associated with the item.

Claim 17: Myhre discloses a method for facilitating a transaction as in Claim 1 and further discloses the benefit comprises an improved transaction term, i.e. a decrease in the price of the transaction.

Claim 19: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further disclose that the item is purchased from one merchant (Radio Shack™) and the subsidy offer is provided by a second merchant (Sprint™).

Claims 28-30: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses that the interest indication received from the customer is a request for an item price, a purchase request, or a request to access information about the item.

Claim 31: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses the indication comprises an indication from an input device associated with the customer (i.e. POS device at the customer's location).

Claim 32: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses the transmitting is performed at a point of sale terminal.

Claim 35: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further discloses transmitting and storing the subsidy offer on the remote computer (POS system) prior to receiving the customer's indication of interest in purchasing the item.

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Claims 38-40, 43, and 64: Myhre discloses a method for facilitating a transaction as in Claims 1 and 57 above, and further discloses receiving subsidy offer status information, such as an acceptance or refusal, from the customer device.

Claims 42 and 49: Myhre discloses a method for facilitating a transaction as in Claims 41 and 48 above, and further discloses penalizing the customer for non-performance of the task, i.e. charges the customer full price for the item instead of the discounted price when the offer is not accepted.

Claim 47: Myhre discloses a method for facilitating a transaction as in Claim 1 above, and further disclose storing the redemption code (activation code) on the customer device.

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 15, 16, 18, 28-30, 36, and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit).

Claim 15: Myhre discloses a method for facilitating a transaction as in Claim 1 above, but does not explicitly disclose that the benefit comprises another item to be provided to the customer

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in place of the original item, i.e. a substitute item. Official Notice is taken that it is old and well known within the retail arts to provide substitute items as rewards/benefits to the customer. For example, it is common in the airline industry to provide upgraded seats to customers who qualify, normally through the completion of some criteria such as reaching a predetermined number of flights, frequent flyer miles, or membership in an organization (i.e. veterans, government employees, etc.). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to provide a substitute item, such as an upgraded cellular phone, to the customer in Myhre. One would have been motivated to provide a substitute item in order to increase the customer's satisfaction with the offer, thereby increasing the likelihood of its acceptance by the customer.

Claim 16: Myhre discloses a method for facilitating a transaction as in Claim 1 above, but does not explicitly disclose that the benefit comprises another item to be provided to the customer in addition to the original item, i.e. an additional item. Official Notice is taken that it is old and well known within the retail arts to provide additional items and rewards/benefits as promotions to the customer. For example, it is common to offer such additional promotional items as carrying cases, rechargers, headsets, etc. when a customer buys and activates a cellular phone. In another example, many perfume companies offer a free bag, make-up kit, and so on when the customer purchases a certain product of the company's brand. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to provide such additional items to the customer in Myhre. One would have been motivated to provide an

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additional item in order to increase the customer's satisfaction with the offer, thereby increasing the likelihood of its acceptance by the customer.

Claim 18: Myhre disclose a method for facilitating a transaction as in Claim 17 above, but does not explicitly disclose the transaction term comprising a warranty term or an interest rate term. Official Notice is taken that it is old and well known within the retail arts to offer various warranties and interest rates as benefits in an attempt to entice the customer to purchase the item. In fact, Radio Shack offered several warranty plans for cellular telephones, regular telephones, computers, televisions, stereos, and other products available for purchase. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to provide a warranty term or interest rate term as a benefit to the customer in Myhre. One would have been motivated to provide such a benefit in order to increase the customer's satisfaction with the offer, thereby increasing the likelihood of its acceptance by the customer.

Claims 36 and 37: Myhre discloses a method for facilitating a transaction as in Claim 1 above, but does not explicitly disclose deleting the subsidy offer prior to outputting it to the customer, nor that the subsidy offer has an expiration date. Official Notice is taken that it is old and well known within the retail arts for subsidy offers to have expiration dates and to delete expired offers prior to outputting to a customer (See the Buy.com reference listed below). One would have been motivated to include expiration dates on subsidy offers and to delete expired offers in order to allow the subsidy provider to better control its marketing program by preventing a multitude of outstanding offers being carried over from year to year, whose redemption may

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cause the subsidy provider's marketing budget to be exceeded. The subsidy provider could prevent such overruns by placing enough funds in a reserve account; however, this would cause a decrease in available funds with a small likelihood that the outstanding offers would ever be redeemed.

11. Claims 24, 50, 51, 53, 56, 58, 67, 71, 75, 77, 78, 80, 81, and 83 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit) in view of Austin et al (6,259,908).

Claims 24, 58, 75, 77, 80, and 81: Myhre discloses a method for facilitating a transaction as in Claim 1 above, but does not explicitly disclose the customer device comprising a portable computer, personal digital assistant, smart card, or customer storage device. However, Austin discloses a similar method for facilitating a transaction which also discloses the customer device comprising a portable computer, personal digital assistant, smart card, or customer storage device (col 2, lines 3-17). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate any of these well-known input and storage devices into the Myhre system. One would have been motivated to include one or more of these devices in order to update the circa 1990 POS terminal, facsimile, and telephone method to more current technology.

Claims 50, 51, 56, and 78: Myhre discloses a method for facilitating a transaction as in Claim 1 above, but does not explicitly disclose using a central computer for performing the steps

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of the method. However, Austin discloses a similar method for facilitating a transaction and further discloses using a central computer for performing the steps of the method (col 5, lines 31-51). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate a central computer into the Myhre POS system and to use the central computer to perform the method steps. One would have been motivated to use a central computer in order to eliminate the need for each POS terminal to be directly connectable to the service provider, i.e. the store would only need one phone line (network connection) for the central computer instead of separate phone lines for each terminal.

Claims 53, 71, and 83: Myhre discloses an apparatus for facilitating a transaction as in Claims 52 and 82 above, but does not explicitly disclose one or more databases for storing the information and rules used in the above method. However, Austin discloses a similar method for facilitating a transaction and further discloses one or more databases for storing the information and rules used in the above method (col 5, lines 63-64). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to store the information and rules pertaining to the subsidy offers used in the Myhre system in one or more databases. One would have been motivated to store the information and rules in separate databases in view of the disparity in the type of data being stored.

Claim 67: Myhre discloses a method for facilitating a transaction as in Claim 65 above, but does not explicitly disclose the customer device generating the redemption code. However, Austin discloses a similar method for facilitating a transaction and further discloses the customer

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device generating the redemption code (subsidy access code)(col 5, lines 31-51). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to have the customer device (POS terminal) in the Myhre system to generate the activation code. One would have been motivated to generate the redemption code with the customer device in order to allow activation of the cell phone during network outages, i.e. if the customer device is disconnected after receiving the approval code from the subsidy provider, the cell phone could still be activated by the customer device.

12. Claims 6-8, 10, and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Austin (6,259,908) in view of Logan et al (5,721,827).

Claims 6 and 8: Myhre discloses a method for facilitating a transaction as in Claim 2 above, but does not explicitly disclose that the information is associated with another item purchased in at least one previous transaction. However, Logan discloses a similar method for facilitating a transaction which also includes targeting the subsidy offer based on demographic information, such as purchase history, of the customer (col 16, lines 58-67 and col 25, lines 4-14). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use demographic, psychological, and historical information associated with the customer when determining the subsidy offer to present to the customer in Myhre. One would have been motivated to use historical information in order to better target the subsidy offer to the individual customer, thereby increasing the likelihood of its acceptance by the customer.

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Claim 7: Myhre discloses a method for facilitating a transaction as in Claim 2 above, but does not explicitly disclose that the information is associated with previous offers provided to the customer. Logan discloses a similar method for facilitating a transaction which also includes targeting the subsidy offer based on demographic, psychological, and historical information associated with the customer. While it is not explicitly disclosed that the historical information would include previous offer, it would have been obvious to one having ordinary skill in the art to use such information. It would have been obvious that the subsidy provider may want to provide a different offer if the customer declined the previous offer, or provide the same offer if the previous offer was accepted, or vice versa; whichever the subsidy provider believes is the best policy for his marketing program. One would have been motivated to use previous offer information in order to better target the individual customer, thereby increasing the likelihood of its acceptance by the customer.

Claim 10: Myhre discloses a method for facilitating a transaction as in Claim 9 above, but does not explicitly disclose that the information comprises survey information received from the customer. However, Logan discloses a similar method for facilitating a transaction in which the customer completes and submits a survey which is used to target the subsidy offer (col 40, lines 22-42). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for the merchant in Myhre to include one or more survey question on the application form and to use the survey information to target the subsidy offer. One would have

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been motivated to use survey information in order to better target the subsidy offer, thereby increasing the likelihood of its acceptance by the customer.

Claim 23: Myhre discloses a method for facilitating a transaction as in Claim 20 above, but does not explicitly disclose that the task comprises purchasing another item, accessing a web page, visiting a merchant, dialing a telephone number, or answering a question. Logan discloses a similar method for facilitating a transaction in which the customer submits answers to survey questions. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that the task completed by the customer in Myhre is to answer a question (the questions on the application form could be considered as equivalent). One would have been motivated to require the customer to answer a question (or complete one of the other above tasks) in order to collect more customer demographic information, thereby enabling better targeting of the offer by the subsidy provider.

Response to Arguments

13. Applicant's arguments with respect to claims 1-89 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

14. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. In support of the Examiner Affidavit used in the rejection above, the Examiner has

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enclosed several other references to show the widespread use of subsidies by service providers to incent customers at a merchant location to purchase cellular telephones, cable modems, etc. throughout the past ten years.

A. Dent (5,666,649) discloses in the background section of the specification that “service providers offer a subsidy to the retail outlet on more expensive telephones”.

B. Cooper (5,673,317) discloses in the background section of the specification that “many service providers and carriers have begun subsidizing the sales price of wireless network access deices to potential customers, requiring in turn that the subsidized device will be activated on and exclusively user their services for at least a certain minimum period of time” and that “many subsidizing providers and carriers therefore require immediate activation of the device with their service before the customer leaves the store”.

C. Radio Shack (<http://www.radioshack.com/Partners/Verizon/VerizonLanding.asp>) discloses that the method for selling and subsidizing cellular telephones as disclosed in the Examiner’s Affidavit above is still in use by Radio Shack and has been updated to use personal computer systems instead of facsimile machines and telephones.

D. Buy.com (<http://www.buy.com/retail/w...Category=CELLULAR>) discloses that the method of selling and subsidizing cellular telephones is being used throughout the industry. It also discloses that the customer can “Activate any AT&T Wireless phone with a 12-month subscription on or before April 30, 2003 and get a \$19.99 eCoupon good on a future buy.com DVD purchase of your choice!” which shows the customer receiving a benefit (discount coupon)

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on an item other than the cellular telephone being purchased. The same offer discloses that the offer is only for a limited amount of time, and also that the benefit must be used within a predetermined time period.

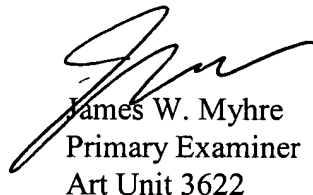
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9326. Draft or Informal faxes may be submitted to (703) 872-9327 or directly to the examiner at (703) 746-5544.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.



JWM
April 15, 2003



James W. Myhre
Primary Examiner
Art Unit 3622